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**Advancing Justice and Opportunity**

Written Testimony Submitted for the Record  
Committee on Ways and Means  
Subcommittee on Human Resources  
United States House of Representatives

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Thank you for the opportunity to submit testimony about necessary reforms to the Temporary Assistance to Needy Families (TANF) program. The Sargent Shriver National Center on Poverty Law works to achieve social and economic justice for low-income people and communities. The Women's Law and Policy Project's mission is to create and promote legal and policy solutions specifically to improve the lives of low-income women and girls.

Improving the work participation requirement in TANF will allow more families to use their limited time on cash assistance to achieve meaningful steps on their path to self-sufficiency. Currently the success of TANF is measured by states' declining caseloads and by the percent of individual recipients engaged in a group of activities in a month. Instead, success should be measured by TANF's provision of temporary economic stability to all eligible families and its provisions of opportunities to recipients to build skills and knowledge necessary to gain economic self-sufficiency and enter the middle class. While the work participation rate has partially furthered these goals, it has unfortunately fallen short in a number of respects.

**The statutory and regulatory definitions of countable activities are unduly narrow.**

We must define what a countable work activity is by what helps an individual start on a career pathway and sustain work in the future. For many individuals, this means addressing a serious barrier to their employability, be it inadequate transportation or childcare, or mental or physical health issues. Addressing a barrier to economic self-sufficiency is the first step towards the middle class, and is the single most important step many individuals on TANF can do to prepare themselves to be independent of public benefits.

The current work activities do not allow states and program providers the flexibility to holistically and effectively address TANF recipients' learning needs. Education remains one of the most important factors in determining an individual's well-being and that of their families, as increased educational attainment increases earnings, reduces spells of unemployment, fosters greater upward mobility, and improves health outcomes for the whole family.<sup>1</sup> Many TANF recipients are eager to increase their skills, whether getting a GED, an industry-recognized credential, or college credit, in order to advance themselves. College must be a countable work activity for all TANF recipients. In order for individuals to succeed in college or a job, many need creative programs, such as transitional jobs<sup>2</sup> and bridge programs,<sup>3</sup> which may combine contextualized instruction, evidence-based reading and math instruction, on-the-job training, and work experience. The current structure of the work participation requirement does not allow this seamless blending of services. In addition to flexibility, the federal government must provide additional resources to states to provide adequate career and academic counseling to connect recipients with appropriate education, training, employment, and other opportunities.

Federal law needs to incentivize states to create better programs which invest in individuals by assisting them in attaining higher income and family stability, rather than incentivizing caseload reduction and punishing individuals for their barriers. Caseload reduction, in and of itself, tells us nothing about child and family well-being, the reduction of poverty, or the reality of the lives of low-income people. It is imperative that recipients of public benefits are neither neglected nor harmed by our collective effort to create a more productive workforce through skill building and education, which will ensure economic prosperity and competitiveness for the nation as a whole.

**Even with a broader definition of what counts to the work participation rate, some individuals will not be able to meet it in any given month, yet deserve assistance.**

For years, many state TANF programs have not only just been "work first," but even "work only," whereby programs either kick families off assistance for noncompliance or force heads of households immediately into any job available - most often unstable, low-wage, insecure jobs that also lack benefits and career growth opportunities.

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<sup>1</sup> United States Congress, Joint Economic Committee Study, *Investment in Education: Private in Public Relations*, (2000), available at <http://www.house.gov/jec/educ.htm>.

<sup>2</sup> For more information see <http://www.heartlandalliance.org/ntjn/>.

<sup>3</sup> For more information see <http://www.shifting-gears.org/>.

This approach to TANF is a fundamentally misguided and shortsighted course of action that continues the cycle of poverty. Ultimately, requiring work at the expense of barrier reduction and education profoundly undermines TANF's goal of poverty alleviation. We must chart a new path forward, where we measure what matters, encourage what works, and provide a safety net for those not ready or able to pursue independence. States should have incentives to encourage universal engagement in quality programming to help individuals take the first step towards a family sustaining job. But as a civil society, we must at the same time meet people where they are, which means providing cash assistance to every family with a child who is in need. Having a barrier to work should never be a reason someone is sanctioned or terminated.

### **Improved well-being outcomes for families are better measures of the success of TANF.**

Congress should measure the success of TANF by looking at whether it reduces deep child poverty and provides benefits to all families who are eligible, and how many individuals who have received or are receiving TANF successfully address barriers to independence, succeed in acquiring an industry credential, or exit the program because they get a job that pays a family sustaining wage. Whatever statutory measures of program success Congress creates in reauthorization, whether participation rates or outcome measures, they must no longer create incentives for states to kick needy families off TANF. The caseload reduction credit is deeply misguided, because it rewards states for cutting off those individuals who are the hardest to serve. Indeed the historic reductions in caseload come with a shameful legacy of increased deep poverty. Data show the *well over half* of the declines in caseloads since the mid 1990s was not due to a decline in the number of very poor families with children that qualified for assistance, but rather a decline in the *share* of such families that actually receive income support from TANF programs.<sup>4</sup>

### **TANF, and its requirements on individuals, must be responsive to changed economic circumstances.**

The federal government must adequately fund states to meet the basic needs of their families, while creating quality programs to assist individuals in accessing good jobs and entry into the middle class. As a nation, we can't afford to neglect their and our economic future and well-being. Since the beginning of the recession, the fundamental weakness of the block-grant structure of TANF has been highlighted in the minimal growth of the program. Despite the recession the TANF caseload increased only 13 percent between December 2007 and December 2009 and grew less than 1 percent in 2010, while the number of people living in poverty and deep poverty continues to rise.<sup>5</sup> In 2010, 9.9 percent of children live in households whose income is less than half the federal poverty line.<sup>6</sup>

The one recent bright spot in TANF's otherwise dismal record of alleviating suffering during the recession was the states' use of the federal dollars provided in the Emergency Contingency Fund. Collectively, states created 260,000 subsidized jobs, which supported local economies by putting earnings in the hands of individuals who were likely to spend it, connected individuals with employment, supported businesses during the recession, and demonstrated the efficiency and efficacy of subsidized jobs on a large scale.<sup>7</sup> Unemployment is going to remain high for years to come,<sup>8</sup> meaning many individuals with barriers to employment will find it extremely difficult to find unsubsidized work. Barrier reduction, education and

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<sup>4</sup> Liz Schott, Center on Budget and Policy Priorities, Policy Basics: An Introduction to TANF (2011), <http://www.cbpp.org/cms/index.cfm?fa=view&id=936>.

<sup>5</sup> LaDonna Pavetti et al., Center on Budget and Policy Priorities, TANF Responded Unevenly to Increase in Need During Downturn: Findings Suggest Needed Improvements When Program Reauthorized 1, 2 (Jan. 25, 2011), <http://bit.ly/pdE9qT>; Administration for Children and Families, U.S. Department of Health and Human Services, TANF and SSP: Total Number of Families: Fiscal and Calendar Year 2010 (May 16, 2011), <http://1.usa.gov/plB2cR>.

<sup>6</sup> United States Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2010 (2011), table 6, pg. 19, <http://www.census.gov/prod/2011pubs/p60-239.pdf>

<sup>7</sup> LaDonna Pavetti et al., Center on Budget and Policy Priorities, Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund (February 16, 2011), <http://www.cbpp.org/files/2-16-11tanf.pdf>.

<sup>8</sup> Congressional Budget Office, The Outlook for the Economy and the Budget, <http://cboblog.cbo.gov/?p=1879>.

training, and work experience are effective ways to improve their employability and long-term economic opportunity. Simple-minded “work first, work only” is not.

### **Conclusion**

The narrowly defined work participation rate has contributed to the cycle of poverty, and must be improved upon. The work participation requirement will increase TANF recipients’ self-sufficiency, and hopefully eventual prosperity, only if we ensure that all activities on an individual’s pathway to a career are countable activities. At the same time, to eliminate the scourge of deep poverty in America, we must allow families to receive TANF benefits if they are unable to work or find work, set the goal that TANF be accessed by all eligible families, and create a funding mechanism so that TANF can respond quickly to times of particular economic need. By reformulating the work participation rate and incorporating outcomes of family well-being, the take-up rate of eligible families, and increased education and earnings over time, TANF will more effectively fulfill its goals of self-sufficient families.

Thank you for the opportunity to address these important issues. I would be happy to follow up with you on any of these issues. I can be reached at 312-368-3303 or [wendypollack@povertylaw.org](mailto:wendypollack@povertylaw.org).

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